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FOR IMMEDIATE RELEASE  
**February 14, 2006**

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### **FORMER ANTELOPE MAN PLEADED GUILTY TO FRAUDULENTLY OBTAINING MICROSOFT SOFTWARE**

*Defendant Cracked Code Needed to Activate Software Causing More than \$500,000 in Losses*

SACRAMENTO -- United States Attorney McGregor W. Scott and Sacramento County Sheriff Lou Blanas announced today that DARREN McWAINE, aka Darren Macwangwala, David Marsh, Dave Watts, and Darren McWayne, 34, formerly of Antelope, California pleaded guilty to computer fraud in connection with a scheme in which he stole more than \$500,000 worth of Microsoft ("MS") software.

This case is the product of an extensive/joint investigation by the Sacramento Valley High Tech Crimes Task Force, which is comprised of more than thirty federal, state, and local law enforcement agencies, and the United States Postal Inspection Service. Microsoft also assisted with the investigation.

According to Assistant United States Attorneys Robin R. Taylor and Christine Watson of the Computer Hacking and Intellectual Property Unit ("CHIPs Unit"), who are prosecuting the case, defendant McWAINE admitted that from approximately November 1999 through January 2004, he fraudulently activated more than 179 subscriptions of Microsoft Developer Network Software, Universal Edition (MSDN), which was used by developers to create computer products compatible with MS software. The initial subscription for the MSDN retailed at approximately \$2,799, and could be renewed annually for approximately \$2,299.

According to documents filed in court, a legitimate purchaser of the MSDN software would receive a 15-digit Product Identification Numbers ("PID numbers") or activation number from MS which could be used to activate a software subscription via the Internet, phone, or mail. Defendant McWAINE admitted that as part of the fraud, he obtained legitimate PID numbers and then, by manipulating the digits of those numbers, created new and unauthorized PID numbers.

After logging onto MS's computer, defendant McWAINE would test a PID number he fraudulently created to determine if it would activate an MSDN subscription. If the PID number

he created worked, the computer would generate a certain response. He then used these fraudulently created PID numbers to activate software subscriptions for himself and others, without the permission of, or payment to, MS. To conceal his identity from MS, McWAIN used more than 15 aliases and multiple false addresses.

The defendant is scheduled for sentencing on September 14, 2006. Under federal law, the defendant faces a maximum of five years in prison and a fine of not more than twice the gain or loss, or both, and restitution.

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